

ARTICLE 7
GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION

Attachment # 8
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I. GUARANTEED MAXIMUM PRICE

- A. When the Construction Documents (Exhibit B) for the Project are sufficiently complete to define the scope of the work, as agreed to by the CONSTRUCTION MANAGER and the COUNTY, the CONSTRUCTION MANAGER shall establish and submit in writing to the COUNTY for approval a Guaranteed Maximum Price (GMP). The actual price paid for the work by the COUNTY shall be the actual cost of all work specified as part of the GMP, Trade Contracts, supply contracts, direct labor costs, direct job costs, and general conditions or the GMP, whichever is less, when the work is complete. The GMP shall include the CONSTRUCTION MANAGER'S construction services and overhead and profit fees.
- B. The GMP will only include those taxes in the cost of the project that are legally enacted at the time the GMP is established. Any subsequent taxes shall be added to the GMP.
- C. At the time of submission of a GMP, the CONSTRUCTION MANAGER will verify the time schedule for activities and work which was adopted by the Project Team and used to determine the cost of work.

II. CONSTRUCTION CONTINGENCY

- A. In addition to the cost of work, the GMP shall include agreed upon sums as the Construction Contingency. The CONSTRUCTION MANAGER will be required to furnish for the County PROJECT MANAGER's approval, documentation evidencing expenditures to be charged to the construction contingency. Documentation for use of the Construction Contingency shall be furnished monthly to the Project Team and displayed monthly in the Project Management Information System (PMIS). The Construction Contingency, included in the GMP, shall only be used for cost of work items and with the County PROJECT MANAGERS' written approval. When the Project is bid and 100% of the Trade Contracts have been executed, the Construction Contingency within the GMP shall be decreased in proportion to the percent of the work completed. (In other words, if 10% of the work has been completed and the County PROJECT MANAGER requests that the Construction Contingency within the GMP be adjusted, then 10% of the Construction Contingency within the GMP will be removed from the GMP by a Change Order to the GMP.
- B. Once the GMP has been established, the County PROJECT MANAGER, after consultation with the CONSTRUCTION MANAGER, shall provide to the Architect written comments based upon the CONSTRUCTION MANAGER'S review of the Construction Documents so the Architect has a clear understanding of the materials, alternates and methods that he is to delineate in the Construction Document preparation. The Architect will prepare and submit to the CONSTRUCTION MANAGER partial Construction Document packages, so the CONSTRUCTION MANAGER can understand and aid in the coordination of the preparation of those documents.

III. COUNTY'S SET ASIDE AMOUNT

The use of the Set Aside amount established in the Exhibit E- Fee Schedule is for unanticipated adjustments to the Project by the COUNTY. The use of the Set Aside amount shall be at the sole discretion of the County PROJECT MANAGER and shall not be utilized in any manner by the CONSTRUCTION MANAGER without the written approval of the COUNTY PROJECT MANAGER, said set aside amount shall be included in the GMP and any unused balance shall accrue to the COUNTY and the GMP reduced upon completion of the Project.

IV. VALUE ENGINEERING

- A. Value Engineered Items are those changes suggested by the CONSTRUCTION MANAGER which have a cost benefit to the Project and such Items accepted by the County PROJECT MANAGER will be incorporated into the Construction Documents by the Architect.
- B. If bids received for the work are above the GMP, the CONSTRUCTION MANAGER shall complete the work at the GMP.
- C. If bids received are less than the GMP, the difference will be added to the Construction Contingency.